

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 1391**

**(SENATE AUTHORS: HOWE)**

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
02/25/2021	548	Introduction and first reading Referred to Commerce and Consumer Protection Finance and Policy
03/11/2021	833a	Comm report: To pass as amended
	837	Second reading
	4795	Rule 47, returned to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act

1.2 relating to commerce; regulating debt settlement services providers; amending

1.3 Minnesota Statutes 2020, sections 332A.02, subdivision 8; 332B.02, subdivision

1.4 13.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 332A.02, subdivision 8, is amended to read:

1.7 Subd. 8. **Debt management services provider.** "Debt management services provider"

1.8 means any person offering or providing debt management services to a debtor domiciled

1.9 in this state, regardless of whether or not a fee is charged for the services and regardless of

1.10 whether the person maintains a physical presence in the state. This term includes any person

1.11 to whom debt management services are delegated, and does not include services performed

1.12 by the following when engaged in the regular course of their respective businesses and

1.13 professions:

1.14 (1) exempt attorneys at law, escrow agents, accountants, broker-dealers in securities;

1.15 (2) state or national banks, credit unions, trust companies, savings associations, title

1.16 insurers, insurance companies, and all other lending institutions duly authorized to transact

1.17 business in Minnesota;

1.18 (3) persons who, as employees on a regular salary or wage of an employer not engaged

1.19 in the business of debt management, perform credit services for their employer;

1.20 (4) public officers acting in their official capacities and persons acting as a debt

1.21 management services provider pursuant to court order;

2.1 (5) any person while performing services incidental to the dissolution, winding up, or  
 2.2 liquidation of a partnership, corporation, or other business enterprise;

2.3 (6) the federal government, the state, their political subdivisions, public agencies, and  
 2.4 employees;

2.5 (7) collection agencies, provided that the services are provided to a creditor;

2.6 (8) "qualified organizations" designated as representative payees for purposes of the  
 2.7 Social Security and Supplemental Security Income Representative Payee System and the  
 2.8 federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

2.9 (9) accelerated mortgage payment providers. "Accelerated mortgage payment providers"  
 2.10 are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive  
 2.11 funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order  
 2.12 to exceed regularly scheduled minimum payment obligations under the terms of the  
 2.13 indebtedness. The term does not include: (i) persons or entities described in clauses (1) to  
 2.14 (8); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated  
 2.15 lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20,  
 2.16 subdivision 1. For purposes of this clause and sections 332.30 to 332.303, "lender" means  
 2.17 the original lender or that lender's assignee, whichever is the current mortgage holder;

2.18 (10) trustees, guardians, and conservators; ~~and~~

2.19 (11) a registered accounting practitioner, registered accounting practitioner firm, certified  
 2.20 public accountant, or certified public accountant firm licensed under chapter 326A;

2.21 (12) an enrolled agent in good standing licensed by the United States Department of  
 2.22 Treasury under United States Code, title 31, section 330, or enrolled agent firm; and

2.23 (13) debt settlement services providers.

2.24 Sec. 2. Minnesota Statutes 2020, section 332B.02, subdivision 13, is amended to read:

2.25 Subd. 13. **Debt settlement services provider.** "Debt settlement services provider" means  
 2.26 any person offering or providing debt settlement services to a debtor domiciled in this state,  
 2.27 regardless of whether or not a fee is charged for the services and regardless of whether the  
 2.28 person maintains a physical presence in the state. The term includes any person to whom  
 2.29 debt settlement services are delegated. The term shall not include an exempt attorney at law  
 2.30 and persons listed in section 332A.02, subdivision 8, clauses (2) to ~~(10)~~ (12), or a debt  
 2.31 management services provider.